

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$47,900	\$40,000	\$25,050	\$40,000
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$47,900</b>	<b>\$40,000</b>	<b>\$25,050</b>	<b>\$40,000</b>

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 6 adopts the Fantasy Contests Act.

“Fantasy contest” is defined as any online fantasy or simulated game or contest with an entry fee required for participation and in which:

- The value of all prizes and awards offered to winning fantasy contest players is established and made know to the player in advance of the contest;
- All winning outcomes reflect the relative knowledge and skill of the players and such outcomes are determined by accumulated statistical results of the performance of individuals, including athletes in the case of sports events; and
- No winning outcome is based on the score, point spread, or performance of any single actual team or combination of teams or solely on any single performance of an individual athlete or player in any single actual event.

The bill provides that no fantasy contest operator must offer any fantasy contest in Nebraska without first registering with the Department of Revenue (DOR), with certain exceptions. For an operator to be eligible for registration, they must be authorized to transact business in Nebraska and pay a registration fee of \$10,000. The annual renewal fee is 6% of the operator’s gross revenue for the preceding year, not to exceed \$10,000. The department submits registration and renewal fees to the State Treasurer for credit to the General Fund.

DOR has rule and regulation authority to implement and administer the act but not for limiting or regulating the following:

- Game rules governing the play of individual fantasy contests;
- The statistical components of a fantasy contest; or
- The digital platform of a fantasy operator.

LB 6 also provides conditions for registration; prohibitions on the type of sporting event that may not be used as a basis for the contest; a requirement for auditing and reporting; additional definitions; and a civil penalty of not more than \$1,000 for each violation of the Act, not to exceed \$5,000.

Criminal provisions are amended to provide a person who conducts or participates in a fantasy contest in accordance with act is not engaged in gambling. In addition, the bill clarifies that supplies, equipment, etc. used in a fantasy contest in accordance with the act are not gambling devices.

For an identical proposal introduced in [LB 137 \(2019\)](#), DOR estimated the revenue from four fantasy contest operators registering in the first year, with annual renewal fees reaching \$10,000 each. This results in General Fund revenue of \$40,000 each fiscal year. The size of the market for Nebraska Fantasy Contests is uncertain therefore the estimate of four operators may be low or high. Actual revenue would correspond accordingly. The estimate presented in this fiscal note assumes implementation within the current fiscal year, FY25.

The following operational expenditures would be necessary to implement the bill.

- A one-time programming charge of \$17,500 to make changes to the gaming license system; and
- Expenditures for 0.5 FTE Revenue Agent, costing a total of \$30,400 in the initial fiscal year and \$25,050 the following year.

Please complete ALL (5) blanks in the first three lines.

**2024**

**LB<sup>(1)</sup> 6**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> NE Racing & Gaming Commission

Prepared by: <sup>(3)</sup> Rita Pracht Date Prepared: <sup>(4)</sup> 7/26/24 Phone: <sup>(5)</sup> 531-310-4536

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No fiscal impact

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____